

null
Diana T Fritz 08/29/2006 03:27:05 PM From DB/Inbox: Search Results

Cable
Text:

UNCLAS ABU DHABI 03144

SIPDIS
CXABU:

ACTION: AMB
INFO: POL ECON DCM

DISSEMINATION: AMB
CHARGE: PROG

APPROVED: AMB:MJSISON
DRAFTED: ECON:ELWILLIAMS
CLEARED: ECON:OJOHN

VZCZCADI177
PP RUEHC RUEHZM RUEHGV RUEHC
DE RUEHAD #3144 1980913
ZNR UUUUU ZZH
P 170913Z JUL 05
FM AMEMBASSY ABU DHABI
TO RUEHC/SECSTATE WASHDC PRIORITY 0705
INFO RUEHZM/GULF COOPERATION COUNCIL COLLECTIVE PRIORITY
RUEHGV/USMISSION GENEVA PRIORITY 0582
RUEHC/DEPT OF LABOR WASHDC PRIORITY

UNCLAS ABU DHABI 003144

SIPDIS

SENSITIVE

STATE PASS USTR FOR CLATANOFF, ROSENBERG
STATE FOR NEA/ARPI, DRL/IL, G/TIP, G, INL, DRL, NEA/RA
LABOR FOR ILAB, ZOLLNER

E.O. 12958: N/A
TAGS: [ELAB](#) [PHUM](#) [ETRD](#) [PREL](#) [TC](#)
SUBJECT: LABOR: SPONSORSHIP TRANSFER REGULATIONS LOOSENED

REF: ABU DHABI 3074

¶1. (SBU) Summary: The UAE Cabinet formally approved new sponsorship transfer regulations on July 12, 2005 which grant the Ministry of Labor's 2.1 million workers more freedom of movement in the labor market. The new laws allow a worker to change sponsorship after 1, 2 or 3 years of employment (depending on education level), although unskilled workers are limited to one change in their lifetimes. The new law's most dramatic improvement is that it allows unskilled workers the right to change employers without an automatic six-month immigration ban. This change in sponsorship procedures should cut down on illegal employment, as well as provide more workplace mobility and rights for workers. End summary.

¶2. (U) The UAE Cabinet formally approved a new sponsorship transfer system on July 12, 2005 (reftel), which will become effective when it is officially published in the Official Gazette - likely in a month's time according to Ministry of Labor officials. The Ministry of Labor's 2.1 million workers will be able to more freely change jobs (these workers do not include government employees or domestic servants, however, who are regulated directly by the Ministry of Interior). The new system will allow highly skilled workers (those holding graduate or professional degrees) to transfer jobs after one year. Workers holding bachelor's degrees would be allowed to change employment after two years, with a maximum of two transfers in a lifetime. Unskilled workers and laborers would be permitted to change employment after 3 years (allowing the employer more time to benefit from training the unskilled laborers), but only once in their lifetime. Fees for changing sponsorship will range from approximately 400

USD to 800 USD (the highest fees will be charged for unskilled laborers to change employers).

13. (SBU) These new procedures will increase the ability of unskilled workers and employees holding bachelor's degrees to change employment - a drastic change from the current sponsorship regulations which require such workers to leave the country for a forced 6-month ban on entry if they wish to begin working for a new employer. Ministry of Labor Under Secretary Khalid Al Khazraji explained that workers will be

SIPDIS

able to change employers at will, if they are at the end of a contract period. If they are in the middle of an employment contract, however, the sponsorship laws will still require the old employer, the new employer, and the employee to agree on the change in sponsorship--which in practice means that the employee will need to submit a letter of no-objection from the old employer before being able to accept new employment. (Note: Under the old sponsorship transfer system, unskilled workers could not change sponsorship even with a letter of no-objection. The transfer was limited to 13 categories of specialized workers such as doctors and lawyers, who were required to have a letter of no-objection and a minimum of one year's experience at the first location of employment to switch sponsorship. End note).

14. (SBU) The major difference between the new and old regulations is that workers will be allowed to change sponsorship (although only for a limited number of times in their lifetime) at the end of a contract period without being forced to leave the country. Even at the end of a contract under the old system, laborers were forced to either stay with the employer, illegally work for an employer who was not their legal sponsor, or leave the country for an enforced six-month immigration ban before reapplying for a new work visa. The new system permitting sponsorship transfer should significantly cut down on the number of laborers illegally working in the country, as well as enhance employment rights for unskilled workers.

15. (SBU) Many laborers and workers view this change as very positive, and the Ministry of Labor was incapacitated the first day after the announcement by the sheer flood of people calling and visiting the Ministry to inquire about the new system. Although some workers would like to see the removal of the no-objection letter required to change employment during a contract period, Ministry of Labor Under Secretary Khalid Al Khazraji said the UAEG does not intend to remove this restriction in the near term. Although the new system will not allow full labor mobility, it is a significant step forward for both workers and employers in the UAE.

SISON